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**Motivating Blue-Collar Employees: A Case Study of the Chinese Workforce**

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**Abstract**

The Katz and Kahn (1978) motivational framework is an open system management theory that underscores the importance of self regulation while stressing the significance of using continuous feedback to adapt in a rapidly changing environment. This study aims to examine Katz and Kahn's (1978) prepositions that the implementation a system of rule compliance, external rewards and internalized motivation can decrease employee turnover, increase quantitative and qualitative standards of performance and enhance cooperation and creativeness. The results among 233 Chinese employees (96.6% response rate) indicated partial support for Katz and Kahn's motivational framework. The implication for improving Chinese workforce, in particular, blue collar occupations, is discussed.

## **Introduction**

Foreign investors are entering China in the hope of capitalizing on lower labor cost to improve their overall competitiveness (Glover and Siu, 2000; Vestring, Rouse and Reinert, 2002). In 2007, the Minister of Commerce reported a 12 percent rise of foreign direct investment to \$15.9 billion in the first quarter as companies built factories to make goods for the world's biggest pool of consumers (Foreign investment, 2007). However, with an insufficient understanding of the Chinese workforce and its culture, some western organizations have been overly enthusiastic in venturing into China. These organizations have thus begun to see erosion in profit due to detrimental employee related issues. In attempt to rectify these employee difficulties, organizations have adopted western motivational techniques. Unfortunately, these motivational techniques have not only proved to be ineffective but have also resulted in a significant increase in employee resentment (Jackson & Bak, 1998).

Blue collar workforce is a major contributor of organizational success and a main driver to the growth of China's economy (Glover & Siu, 2000; Warner, 1996;). However, many studies employed white collar employees in China as their research participants (see Jackson and Bak, 1998; Still, 1983; Tang, Kim and Tang, 2000). Thus, research into motivational factors specific to Chinese blue collar employees is urgently needed. The present study aims to understand the motivational factors in Chinese blue collar workers. By enhancing our understanding of motivation among blue collar workers in china, expatriate managers (as well as local) will be able to reduce turnover intention and to increase productivity and creativity in blue collar Chinese employees.

In the following discussion, we will first explore the problems associated with employee turnover and productivity in China to provide an in-depth understanding of these phenomena.

Secondly, we will introduce Katz and Kahn's (1978) open systems theory which has been found to be a promising model for studying motivations of Chinese employees (Child, 1994; Jackson & Bak, 1998; Tung, 1981).

*Problems associated with employees' turnover and productivity*

Mok and Yeung (2005) posit that the rampant amount of turnover among blue collar workers in western organizations is largely attributed to the former highly centralized Chinese labor system where the government was responsible for the assignment of jobs and living necessities to all. To ease the assignment of work to billions of workers and to prevent the unauthorized movement of citizens from rural to urban areas, the Chinese government initiated the 'hu-kuo' system in the 1950s (Kirkby, 1985). Under that system, migration to other provinces was halted to make way for the allocation of residence permits by the Public Security Bureau. On top of assigning residence permits, the Public Security Bureau was involved in the arrangements of access to jobs, housing, ration coupons for rice (Hood, 1986) and determined one's eligibility to access other governmental social services and benefits (Yang, 1993).

China's subsequent shift to a market-oriented system brought about the de-facto collapse of the hu-kuo system (Guo and Iredale, 2004). Driven by the possibility of better job prospects and better incomes, a significant amount of migrant workers flowed into the more developed Chinese cities (Mok and Yeung, 2005). However, most migrant workers would only leave home on a temporary basis and return when enough money was saved. Statistics shows that most cities are truly characterized by the presence of a large number of temporary migrants (Solinger, 1999; Yang, 1993). For instance, Tong's (1995) study shows that 30 percent, 43.7 percent and more than 60 percent of the urban area's working population in Beijing, Shanghai and Guangzhou respectively are made up of migrant workers. With little education, it is

understandable that a large proportion of migrant workers are found to assume low level or blue collar jobs (Guo and Iredale, 2004) and are consequently used to fulfill the huge labor demand of foreign investors (Yang, 1993). Thus, with little incentive other than money to encourage migrants to remain in their jobs, a high level of employee turnover is hardly surprising (Mok and Yeung, 2005), especially when, for most workers, their ultimate goal is to return to their families after a few years (Burrell, 1997; Hare, 1999; Knight and Yueh, 2004).

However, employee turnover is detrimental to organizations as it involves a high social cost and destroys firm-specific capital (Knight and Yueh, 2004). Studies on foreign investors in mainland China indicate that the high rate of turnover is a substantial problem when managing employees (Beamer, 1998; Sensenbrenner and Sensenbrenner, 1994). Comparatively, Wong, Wong, Hui, and Law (2001) found that such problems are especially acute for manufacturing plants located in the newly developed coastal provinces. More specifically, a study on employee mobility in urban China showed that the average length of the employment experience for migrant workers is 5.9 years as compared to 22.8 years for urban workers, while the average completed employment duration of migrant workers is as low as 2.2 years (Knight and Yueh, 2004). Furthermore, Knight and Yueh (2004) point out that the average employment duration of employment for workers in their twenties is the lowest at 1.3 years and the highest tenure of 4.1 years for migrant workers in their fifties. From these statistics, it may be acknowledged with confidence that foreign investors in China are indeed faced with problems associated with high level of employee turnover.

In addition to the problems associated with employee turnover, the ability to achieve an optimal level of productivity is another major hurdle faced by many foreign companies in China. With the recent adoption of market mechanisms and subsequent scraping of the tie-fan-

wan<sup>1</sup>, many Chinese workers are still adjusting to the recent emergence from half a century of adherence to strict Communism ideals. The notion of the unproductiveness among Chinese workers is documented in several studies. For instance, Chow (2004) notes that while China has an abundant workforce, the quality of the workforce does not necessary fit its needs because of the low level of skills and productivity. Furthermore, Wei, Varela and Hassan (1999), through an investigation of 1036 firms in China, argue that many foreign investors face major problems associated with low levels of productivity. More specifically, a longitudinal study from 1980 to 1996 probing into the capital productivity of local and foreign enterprises in China shows that productivity had drastically declined since 1992 (Jefferson, Rawski and Zhang, 2000).

*Problems associated with employees' creativity*

China's rapidly developing economy is arguably the rising star of today's business arena. The advancement of the Chinese economy was in fact so successful that that many market reform practices were halted or indefinitely suspended in 1988 to dampen down its overheating economy (Shenkar, Ronen, Shefy & Chow, 1998). However, the rise and fall of communism continues to cast an enduring effect on employees' lack of creativity. During the Communist years, China adhered rigidly to the Russian model of industrialization where the industrial policy of establishing large enterprises was implemented to capture economies of scale (Chow et al, 1999). China similarly implemented the 'job for life' and 'cradle to the grave' welfare regime for workers in urban industrial state-owned enterprises; a system that became better known as the 'iron rice bowl' or *tie fan wan* (Child, 1994). In such systems, termination of employees was rare, even if an employee constantly failed to perform outside the box. To worsen matters, communist theory dictates that wage differentials should not vary

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<sup>1</sup> Because of the Chinese socialist background, many jobs in China are very secured with little chance of being one being terminated or laid off. Hence TieFanWan literally means Iron Rice Bowl.

widely among employees despite their level of contribution, productivity and creativity (Nelson & Reeder, 1985). After decades of emphasis on lifetime employment, cracks finally appeared on the iron rice bowl in 1992 when market mechanism was made the mainstay of the Chinese economy (Ding, Goodall & Warner, 2000). In order to safeguard their work, employees for the first time saw the need to improve their creativeness when dealing with production problems.

*Katz and Kahn's (1978) motivational framework*

As foreign investors in China encountered workforce problems, many turned to western motivational techniques demonstrated as effective in western organizations. Unfortunately with foreign enterprises wholesale implementation of western practices in China, they have demonstrated a lack of understanding of China and its idiosyncratic culture (Fokkema, 2003). There is only a small body of literatures on the motivation of Chinese workers. Among those that exist, most studies applied Katz and Kahn's framework to understand the motivation among Chinese employees (e.g. Chiu, Luk & Tang, 2002; Chow & Luk, 1996). Nevertheless, most Chinese motivation studies have been conducted with respondent samples based on administrative workers and university students, generally exploring the use of a single component from Katz and Kahn's framework, such as the use of financial incentive or the implementation of rules, to increase worker motivation. To enhance our knowledge among Chinese employees, therefore, we employed Katz and Khan's framework and examined the three components in their theory among Chinese blue collar workers.

Katz and Kahn's (1978) theory is underpinned by the concept of entropy which is an assumption that "without continued inputs any system soon runs down" (p. 3) and acknowledges the importance of human effort and motivation as the primary driver of social

systems. Katz and Kahn's motivational framework consists of three primary aspects that include rule enforcement, external rewards and internalized motivation.

Rule compliance is defined by Katz and Kahn's (1978, p. 406) as the 'acceptance of role prescription and of organizational directive because of their legitimacy'. For rule compliance to be effective, it is suggested that organizations should have support from the legal system or a national culture that sets value on doing one's duty. Through the use of rule compliance, leaders can exercise forces to induce sanctions when rules are not complied. Rule compliance when used on its' own is suggested to be effective in helping to reduce absenteeism and to help employees achieve a higher clarity of organizational rules that will in turn reduce role ambiguity and turnover and bring about acceptable levels of individual performance both in quantity and quality.

Katz and Kahn (1978) describe that creativity can be increased when rewards are given as an encouragement, while valuable employees may be retained and new people attracted to the system. Employees may also be spurred to meet and exceed the quantitative and qualitative standards of performance if rewards are administered properly. Rewards may be provided in multiple forms such as pay increases, promotion and recognition in accordance to individual merit and providing employees with recognition from powerful and respected figures, which may in turn motivate members towards organizational requirements.

The final component of Katz and Kahn's (1978) motivational framework is internalized motivation. Internalized motivation is the link of arousal patterns to organizational consequences that consist of intrinsic job satisfaction and internal group goals as part of individual's own value system. It has also be noted that a magnitude of motivation can be achieved with individual needs being fulfilled through group achievement when employees



achieve a sense of group attachment, which will in turn result in employees attaining higher level of responsibility, achievement satisfaction and affiliation to the organization. Internalized motivation consists of increasing the 'basis for identification with the job' (1978, p. 407), which increases employees experience of intrinsic satisfaction from role performance. Thus, employees with internalized work goals are more effective in meeting all three organizational requirements of staying in the system, doing excellent work and performing innovative acts supportive of organizational policies.

*Employing Katz and Kahn's (1978) motivational framework*

Tung (1981) observed and interviewed managers during two study times to six major Chinese cities and concluded that the motivation of Chinese workers can be analyzed in accordance with Katz and Kahn's (1978) motivational framework. Tung (1981) suggested that rule enforcement can improve workers' motivation when workers are given exact and detailed prescriptions of what is expected of them as members of the factory. In terms of external rewards, Tung argues that the motivation of workers can be ameliorated when material rewards are combined with moral encouragement in terms of praise from superiors. In Tung's final recommendation to adopt internalized motivation, she provided the example of Chinese governmental officials who successfully motivated workers by quoting the effort of workers from the *Da-qing* province of China who succeeded in the discovery of oil through hard work and the mere help from only simple drilling machines. Through this form of internalized motivation, governmental officials had successfully led workers to emulate the qualities displayed by other ordinary workers in the Communist regime while subconsciously evoking the Confucius value of perseverance.

Although Tung's (1981) argument for the use of rule enforcement and external rewards to motivate Chinese employees has received support from Child (1994) and Jackson and Bak (1998), her proposition to achieve internalized motivation through the emulation of Communism ideals was challenged and replaced by intrinsic motivation (Child, 1994). Child (1994, p. 175) argues for the incorporation of the "intrinsic attractiveness of the work" to replace Tung's (1981) emulation of Communist ideals, by arguing that China's shift from a command to a semi-market economy together with the influx of foreign ideology has totally diminished the credence placed on the emulation of Communist ideals among the urban workforce. Child (1994) purports that in replacement of Tung's (1981) internalized motivation, organizations should incorporate the building of an effective organizational culture, and in combination with an effective management style, will enhance employee's commitment and performance on their assigned tasks.

Building on the work of Tung (1981), Child (1994), Jackson and Bak (1998) conducted in-depth interviews with managers from 13 international enterprises in Beijing who were responsible for designing and implementing motivation policies. The results of their study suggested that the managers involved in the interviews consented to the effectiveness of Katz and Kahn's (1978) motivational framework. Though the effectiveness of Katz and Kahn's motivational framework was acknowledged, Jackson and Bak (1998) placed more emphasis on the four distinct factors that are in line with the teachings of Confucius. First, it was suggested that organizational rules and procedures should be well documented and communicated to advert risk and ambiguity and to better define job roles and rules of the organizations. Second, structural rewards should be used to foster the betterment of employee loyalty, reflect seniority and assist in fostering a sense of belonging to the organization. Third, a strong sense of

corporate identity should be fostered for common work values. Fourth, attention should be paid to the development of a clear career path amongst members of the organization so as to heighten loyalty and increase employee identification with the organization.

The literature from Tung (1981), Child (1994), Jackson and Bak (1998) thus far has demonstrated greater support in the latter line of motivation research that proposes the adoption of Katz and Kahn's (1978) motivational framework to explain the work motivation of Chinese employees. Our hypotheses (see figure 1) were developed from Katz and Khan's framework with an integration of Tung's (1981), Child's (1994), Jackson and Bak's (1998) studies. However, all previous studies were conducted with managers or administrators; therefore, the motivation of blue collar workers is still largely unexplored. Thus, the present study aims to employ the motivation of Chinese blue collar workers using Katz and Kahn's (1978) motivational framework to examine the relationship between motivation and employee productivity, creativity and turnover intent (Figure 1).

Figure 1 is about here

## **Method**

### *Sample*

Two hundred and forty one blue-collar workers from three manufacturing factories in the Chinese cities of Beijing (N = 68), Shanghai (N = 86), and Dongguan (N = 79) of the Guangdong province were employed for this study. The choice of this sample was influenced by the notion that *Beijing* as the capital city, and *Shanghai* and *Guangdong* as two of the most developed cities have received a greater amount of attention and investment from foreign

investors as compared to smaller Chinese cities (Chen & Francesco, 2000). All three organizations involved in this study were funded by foreign investment, managed by expatriates, involved in manufacturing, are highly capital intensive, employ a substantial amount of blue collar workers and rely heavily on mechanized production facilities. Specially, the organization in *Beijing* was involved in the printing of plastic wrappers used in the packaging of food, while the organization in *Shanghai* specialises in the manufacturing of metal containers used for the containment of paint, and the organization in *Dongguan* produced semi-conductors for computers. All three organizations employed more than 200 personnel and are classified as large enterprises under the Australian Bureau of Statistics (2006) classification code.

One of our researchers visited the organizations to administrate the questionnaires. This study was endorsed and promoted by the top management of each organization. Top management also allowed employees to take some time off to complete this questionnaires, as a results we obtained significantly high response rate of 96.6% ( $N = 233$ ). The majority of respondents 76.40% ( $n = 178$ ) occupied the 19 to 30 age category. Thus, the data indicate that younger workers make up a significant proportion of the sampling frame. The data also indicate that most respondents were single, making up 69.5 % ( $n = 162$ ) of the total population. Both genders were equally well represented in the sample with 47.2% ( $n = 110$ ) male and 52.8% ( $n = 123$ ) female. The majority of respondents 82.8% ( $n = 193$ ) reported the average job tenure as 1-3 years

### *Measures*

All items in the questionnaire were adapted from Katz and Kahn's (1978) study and measured with a 7-point Likert scale ranging from 1 (strongly disagree) to 7 (strongly agree).

#### *Rule compliance*

This nine-item scale measured rule clarity (three items), rule acceptance (three items) and rule legitimacy (three items). Respective example items included “*I am given explicit rules to follow by my organization*” “*I accept that it is necessary for my organization to provide rules for all employees to follow*” and “*I follow the rules of the organization to avoid disciplinary action*”. An estimate of internal reliability was .60. While the widely-accepted social science reliability cut-off is .70 some research advocates .60 as an acceptable level (Bernardi, 1994). Due to our sample was relatively homogenous (see details in the sample section), this could explain the relative lowness of Cronbach’s alpha (Bernardi, 1994).

#### *External reward*

Six items were used to measure approval from managers (three items) and seniority pay (three items). Example items included “*I receive recognition from my superiors when I do my job well*” and “*My wage increases the longer I work for this organization*”. An acceptable estimate of internal reliability was .75.

#### *Internationalize motivation*

A six-item measure was designed to measure respondent’s level of internalized motivation. Particularly, items measured both respondents’ identification to the job and their level of incorporation of organizational goals into their personal value system. Example items included “*Performing my job well is important to me*” and “*It is important to me that my organization achieve its goals*”. An acceptable estimate of internal reliability was .79.

#### *Turnover intention*

A two-item measurement developed by Cook, Hepworth, Wall and Warr (1981) was chosen to measure participants’ turnover intention because of its simplicity and high level of

internal consistency. Items included “*I plan to look for a new job over the next 12 months*” and “*I am actively searching for a new job*”. An acceptable estimate of internal reliability was .79.

#### *Effort to increase productivity*

We adopted a three-item measure of productive effort from Entwistle’s (2001) study. Entwistle’s scale was chosen namely because of its high level of internal consistency and its unique ability to measure employees perceived effort invested in the undertaking of his or her assigned task. Example items included “*On a regular basis, I spend extra-effort to benefit my production line*” and “*I put a great deal of effort in my job over and above what is required*”. An acceptable estimate of internal reliability was .68.

#### *Creativity*

A four-item scale from Zhou and George’s (2001) study was employed. This scale has been widely tested on employees from a wide array of occupations. Example items included “*I often come up with new and practical ideas to improve on my production processes*” and “*I often suggest new ways of performing work tasks*”. An acceptable estimate of internal reliability was .84.

#### *Demographic information*

We collected information such as age, gender, tenure, marital status and locality to control possible confounding effect in our analysis.

#### *Procedure*

In order to maintain sufficient content and face validity, Brislin’s (1970) back translation process was adopted to prepare the original English questionnaire to Mandarin. A Chinese student undertaking a Masters degree in Linguistic studies was involved in the translation of English scales to Mandarin. Prior to the commencement of the translation process,

the translator was informed that the questionnaires would be administered on Chinese blue-collar workers who may have limited education and was thus asked to keep wording and expression as simple as possible. Another Chinese professional subsequently back translated the translated version. The authors who were bilingual in Mandarin and English checked the back-translated English against the original and found no misrepresentation.

A pilot study involving 11 respondents was contacted at Beijing location where the first data was collected. Although there are many dialects in China, Mandarin is the official language. Therefore we performed the pilot test in one organization. Chinese Participants were asked to provide feedback on the wording and structure of the questionnaire. Consequently, a few local expressions were incorporated and slight changes were made to the wordings of some questions.

Participating organizations were asked for permission to survey only blue-collar employees who were employed on a permanent full-time basis. Request for participants were made through the Human Resource Departments of each organisation and subsequently relayed to supervisors of individual production lines. In order to ensure that the participants were not seasonal employees, verbal screening was additionally conducted and seasonal employees if found, were declined participation.

## Results

### *Descriptive analysis*

The descriptive statistics for each measure and the bivariate correlations between the research measures are illustrated in Table 1. It can be seen that internalize motivation demonstrated significant relationships with all three dependent variables, turnover ( $r = -.37, p < 0.01$ ), productivity ( $r = .30, p < 0.01$ ) and creativity ( $r = .39, p < 0.01$ ). Similarly, rule clarity

also showed significant relationships with , turnover ( $r = -.37, p < 0.01$ ), productivity ( $r = .15, p < 0.05$ ) and creativity ( $r = .30, p < 0.01$ ). There are no significant relationships between rule legitimacy and managerial approval with all mentioned dependent variables. On the other hand, Seniority pay significant associated with turnover ( $r = -.13, p < 0.01$ ) and creativity ( $r = .20, p < 0.01$ ).

TABLE 1 IS ABOUT HERE

### *Hierarchical Regression Analysis*

Three two-step hierarchical regression analyses were conducted to investigate whether motivational factors predict turnover intention, effort to increase productivity and creativeness. For each key outcome, demographic variables including respondents' age, gender, marital status, indication of whether they were local or migrant (locality) and organizational tenure were entered in the first block as control variables. To assess the impact of Katz and Kahn's (1978) motivational framework on key outcomes, rule compliance, external rewards and internalized motivation were entered in the second block.

TABLE 2 IS ABOUT HERE

Table 2 indicated that the regression equations explained 31% of the variance in turnover intention ( $F(11,203) = 8.19, p < .001$ ), 15% of the variance in productive effort ( $F(11,203) = 3.27, p < .001$ ) and 29% of the variance in creativity ( $F(11,203) = 7.16, p < .001$ ). Hypothesis 1a which stated that rule compliance will decrease employee turnover intention is



partially supported as acceptance of rules ( $\beta = -0.25, p < 0.01$ ) had a significant negative impact on turnover intention, while rule clarity ( $\beta = 0.05, \underline{ns}$ ) and rule legitimacy ( $\beta = 0.12, \underline{ns}$ ) did not. Furthermore, hypothesis 2a (refer Figure 1) which posited that external rewards will decrease employee turnover intention is supported (approval from managers [ $\beta = -0.28, p < 0.001$ ] and seniority pay [ $\beta = -0.20, p < 0.01$ ]). Lastly, hypothesis 3a which contented that internalized motivation decrease turnover intention is supported with internalized motivation ( $\beta = -0.21, p < 0.01$ ) having a significant negative relationship.

Hypothesis 1b which posited that rule compliance will increase respondent's effort to improve productivity is partially supported as rule clarity ( $\beta = 0.16, p < .05$ ) is significantly related to the criterion variable. In addition, hypothesis 2b which argued that external rewards will increase employee's effort to increase productivity as well was not supported, with approval from managers ( $\beta = -0.10, \underline{ns}$ ) and seniority pay ( $\beta = -0.08, \underline{ns}$ ) being nonsignificant. Conversely, hypothesis 3b which assumed that internalized motivation will increase effort to increase productivity is supported as internalized motivation ( $\beta = 0.28, p < 0.001$ ) achieved a significant positive result.

Hypothesis 1c, 2c and 3c posited that motivational factors from Katz and Kahn's (1987) framework will increase creativity. Results indicated that acceptance of rules ( $\beta = 0.14, p < 0.05$ ) had a significant positive impact on creativity, while rule clarity ( $\beta = 0.04, \underline{ns}$ ) and legal sanction ( $\beta = -0.12, \underline{ns}$ ) were nonsignificant. Furthermore two variables, approval from managers ( $\beta = 0.03, \underline{ns}$ ) and seniority pay ( $\beta = -0.35, \underline{ns}$ ), of external rewards were also nonsignificantly related to creativity. Finally, internalized motivation ( $\beta = 0.30, p < 0.001$ ) was found to be significantly related to creativity.



## Discussion

The aim of this study was to explore Katz and Kahn's (1978) motivational framework to better understand its application to Chinese blue collar workers. Overall, the results of this study partially concur with Tung (1981), Child (1994) and Jackson and Bak's (1998) recommendation.

In particular, this study found that rule acceptance significantly predicted turnover intention and creativity among Chinese blue collar workers. The effectiveness of recruiting employees who are accepting of organizational rules is seen from the paramount importance of maintaining harmony in the Chinese culture (Hofstede & Bond, 1998). From Chinese cultural view point where great emphasis is given to ensure harmony and to the prevention of 'losing face', turnover can be effectively minimized by reducing interpersonal and organizational conflict between employees and managers. The findings indicate that acceptance of rules predicts employees' effort to increase creativity and therefore concurs with the suggestions put forth by Glover and Siu (2000) and Smith, Peterson, and Wang (1996) who through interviews with managers and top level organizational employees argued for its effectiveness.

In particular, this study found that internalized motivation significantly predicted turnover intention and creativity among Chinese blue collar workers. Though scant evidence shows the effects of incorporating internalized motivation, Child (1994) contends that Chinese employees are rapidly leaning towards the intense influx of foreign ideal. Therefore, Chinese worker are now more effectively motivated when given a sense of group attachment. From support of the findings, it can be acknowledged with confidence that through internalized motivation, employees can increase the basis for identification with the job and meet all three

organizational requirements of staying in the system, doing excellent work and be more creative in support of organizational policies.

Moreover, we found that Chinese blue collar employees' are less likely to turnover if they perceive a high level of external reward. The effectiveness of motivating employees through the provision of approval from managers again is supported by several core Confucius teachings and by several Chinese motivational studies (see Chow, 1992; Chow & Luk, 1996). In particular, several key rationales are seen to underpin the effectiveness of receiving approval from managers. Firstly, ancient Confucius scholars found that the Chinese can be motivated via the provision of material wealth, as the Confucius saying goes "give them enough food, give them enough arms, and the common people will have trust in you" (Lun & Lau, 1979, p. 113). Second, the reception of approval from respected figure meets the importance of virtuous behavior and provides the need for reciprocation of greetings (Hofstede & Bond, 1988). Third, the benefit of receiving approval from respected figures and/or manager meets the utmost important cultural requirement of helping Chinese recipients by enhancing his or her face (Hofstede & Bond, 1988; Hutchings & Murray, 2002).

Due to multiple predictors and marginal sample size contained in our research design, we employed hierarchical regression analysis for our study. Our study would have yielded higher stability coefficients if we applied a structural equation modeling (SEM) approach. To do so however, it would have been necessary to focus on fewer predictors or a larger sample size, which would have provided less information to apply Katz and Kahn's (1978) motivational framework to the Chinese blue collar workers context.

Self-report measurement techniques have inherent limitations. Moreover, respondents may inflate the answers; however, Well and Olson (1989) found that self-report performance

figures provided by respondents were strongly correlated with actual objective performance.

This provides some support for the validity of our study, which represents a small step forward in our understanding of this area.

Despite these limitations, our study obtained a high response rate. Replicating this study in blue collar works from other Asian countries should aid in establishing whether our study is generalizable across different cultures and populations.

### Implications

The findings interpreted in terms of past literature enhances the understanding of the proposed problems and helps foreign investors in China to better understand the motivational preferences of their blue collar employees. This study has additionally provided practical solutions to alleviate problems associated with turnover, productivity and lack of creativity that are rife in contemporary China. In particular, employee turnover can be reduced, productivity and creativity can be increase by internationalized motivation. Therefore, organizations can recruit an individual who has an intrinsic job satisfaction and internal group goals as part of individual's own value system.

Based on our findings, rule clarity, managerial approval and senior pay are the significant factors for turnover reduction. Therefore, we recommend that rules which are clear and unambiguous should be implemented, appropriate recognition and approval from managers or well respected figures should be given to employees who have performed well in their tasks.

Our findings indicated the relationship between rule clarity and creativity. Although the common perception might be that rules can reduce one's creativity, our findings illustrated that a clear expectation of creative thinking from management can increased level of creativity

among Chinese blue collar workers. This could imply that the blue collar workers perhaps require the guideline for them to be creative.

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**Table 1:** Intercorrelations and descriptive statistics ( $N=233$ )

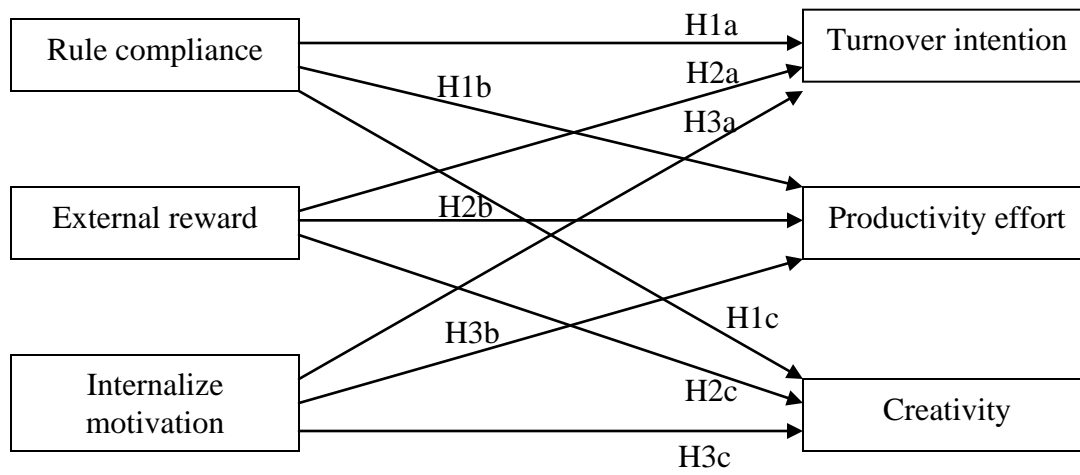
	1	2	3	4	5	6	7	8	9	10	11	12	13	<i>M</i>	<i>SD</i>
1. Rule clarity														5.17	1.08
2. Rule acceptance	0.07													5.50	0.65
3. Rule legitimacy	0.26**	0.24**												5.42	0.95
4. Managerial approval	0.11	0.12	0.08											4.27	1.81
5. Seniority pay	0.21**	0.08	0.15**	0.40**										4.32	1.61
6. Internalize motivation	0.48**	0.18**	0.30**	0.18**	0.34**									5.62	0.87
7. Turnover intention	-0.37**	0.03	-0.06	0.04	-0.31**	-0.37**								3.07	1.61
8. Productivity effort	0.15*	0.20**	0.07	0.09	0.06	0.30**	-0.01							4.58	0.86
9. Creativity	0.30**	0.05	0.01	0.04	0.20**	0.39**	-0.20**	0.46**						4.48	1.22
10. Age	0.04	-0.06	0.05	-0.07	0.01	0.14**	-0.19**	0.10	0.19**					2.59	1.58
11. Gender	-0.01	-0.14*	-0.04	-0.11	0.08	0.03	0.02	0.05	0.24**	0.10				0.47	0.50
12. Martial Status	0.19**	-0.04	-0.02	-0.08	0.01	0.22**	-0.24**	0.13	0.24**	0.35**	-0.01			0.41	0.49
13. Locality	-0.15*	0.07	0.05	-0.11	-0.02	-0.12	0.11	0.00	-0.22**	-0.11	0.01	-0.24**		1.71	0.46
14. Tenure	0.06	0.06	-0.03	-0.12	-0.12	0.02	0.08	0.03	0.14**	0.00	-0.12	0.18**	-0.25**	21.30	15.23

Note: \*\*\* $p < .001$ , \*\* $p < .01$ ; \* $p < .05$ . Alpha coefficients are depicted in parentheses along the diagonal. Gender dummy coded 0 = male, 1 = female.

**Table 2:** Hierarchical regression analyses predicting turnover intent, productivity effort and creativity ( $N = 233$ )

	<i>Turnover</i>		<i>Productivity effort</i>		<i>Creativity</i>	
Steps	1	2	1	2	1	2
Age	-.11	-.11	.07	.06	.10	.10
Gender	.04	.08	.03	.08	.21**	.21**
Marital status	-.18*	-.08	.17*	.12	.18*	.10
Tenure	.13	.13*	.04	.04	.08	.09
Locality	.06	.04	.06	.06	.12	-.09
Rule clarity		-.25***		-.01		.14*
Rule acceptance		.05		.16*		.04
Rule legitimacy		.12		-.03		-.12
Managerial approval		.20**		.10		.03
Seniority pay		-.28***		-.08		.03
Internalize motivation		-.21**		.28**		.30***
$R^2$	.08***	.31***	.04	.15***	.15***	.29***
$\Delta R^2$	.08***	.23***	.04	.11***	.15***	.14***

Note: \*\*\* $p < .001$ , \*\* $p < .01$ ; \* $p < .05$ . The coefficients reported are standardized regression weight. Significance of  $\Delta R^2$  tested with partial F-tests in regression equations.



**Figure 1:** Hypothesized model for the current study